

## A study on Emotional Intelligence and its impact on Employee Performance in service sectors of Coimbatore District

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**Abstract:** Good Company Culture, Company Policies, Convenient Work location, Communication, job satisfaction, opportunities for promotion and career prospects, fair salary are few area which are critically important from the view point of most of the employees. The main objective is to study about the Emotional Intelligence and how the Emotions of employees have an impact on the Employee Performance. For this purpose a sample of 150 was collected from the employees and percentage analysis, factor analysis, Kruskal Wallis test and one way Anova were used as tools to analyze the data. The study is descriptive in nature and the study reveals that there is significant relationship between employees Emotional Intelligent and Employee Performance. The study revealed that there is significant relationship between Employees Emotional Intelligence and their performance. Emotional Intelligence accounted for about 31% of Employees performance.

**Keywords:** Emotional Intelligence, Employee performance, Organizational Commitment ,Organizational development

### 1. Introduction to the concept of study

Emotional intelligence (EI) is the ability, skill or, in the case of the trait EI model, a self-perceived ability to identify, assess and to control the emotions of oneself, of others, and of groups. In the present scenario, cutthroat competition, stretched goals, cultural differences among the diverse workforce and imbalanced work life have lead to increasing levels of stress in employees which in turn also increases the job disperformance. This performance adversely affects the performance of the employees and becomes undesirable and paramount the organization problem. Hence the scientific research shows that the emotionally intelligent person is more adaptive to the environment and more productive for the organization. Therefore, stress due to the job disperformance can prove to be important for making the employees more efficient and effective

Research also reveals that emotional quotient contributes 80% in the success of the person as compared to the 20% contribution of the intelligence quotient (IQ). Therefore, EQ is undoubtedly a very important dimension of a person's personality. Researchers also suggest that Emotional Intelligence oriented interventions can be successful tools for making employees more job satisfied and stress less. By developing their Emotional Intelligence we can become more productive and successful at what we do, and help others to be more productive and successful too

In this era of globalization where there is high cultural, scientific, economic and social exchange, the success of a person depends on many personal factors. This includes attitude, parental support, good education, social network, financial support and so on. Even with all of these, there can be failure in success. When the root causes for this was searched, it points towards Emotional Intelligence (EI). It is the ability to manage emotions intelligently. Emotional intelligence is a set of acquired skills and competencies that predict positive outcomes at home with one's family, in school, and at work . People who possess these are healthier, less depressed, more productive at work, and have better relationships. The present world demands higher level of inter-relationships, mutual understanding and greater productivity at work place. A good knowledge about others emotions and an ability to manage them can help a person to gain success and performance in his work. Though, Intelligence Quotient (IQ) is an important factor which can determine the success of a person, studies shows that beyond a level it is emotional quotient that matters more than IQ; when it comes in to a work environment. Job performance is an integral component of organizational climate and an important element in management employee relationship. It is the positive emotional state that occurs when a person's job seems to fulfill important job values provided; these values are compatible with one's needs. The investigator feels that it would be interesting to study if there is any relationship between job performance and EI of the employees. This research also proposes to study about jobs performance and EI based on the designation of employees. An attempt is also made to study about job performance and EI based on work experience and marital status

### 2. Need for the study

EI is an important tool in human resources planning, job profiling, recruitment, selection, management development career planning and more. It is increasing the relevant to organisation development and indeed developing people and their relationships. Emotional intelligence principles provides a new way to understand and access people's behaviour, management styles ,attitude ,interpersonal skills and many more. It also paves way to find out their performance in terms of quality results.

### 3. Objectives of the study

- To find out the awareness level of employees on emotional intelligence.
- To study the emotional level of employees and its impact on employee performance.
- To access their personal and social competency related to emotional intelligence.
- To provide suggestions in improving the emotional intelligence employees to bring out the decide change in the work environment.

### 4. Scope of the study

Emotional intelligence competencies are critical for success in most jobs. It is limited to the employees. Emotional Intelligence is conducted for middle level and top level management to understand once own feeling, the feelings of others, to manage emotions and motivate oneself and others to improve relationship. This study also focuses on the relationship that exists between emotional intelligence of employees in a particular area and their job performance with employees in a specific region.

### 5. Hypotesis used for the study

HO1: There is a significant difference between demographic variables of the respondents and dimensions related to emotional intelligence and job performance

HO2: There is no relationship between emotional intelligence and job performance

### 6. Research design

A research design is the specification of methods and procedure for acquiring the information needed. Research design classified under three broad categories – explanatory, casual and descriptive. But the researcher was concerned mainly with descriptive research design. The study was conducted in order to find out the employee performance at textile industry.

### 7. Data collection

Both the primary and secondary data are collected and used in the present study.

**PRIMARY DATA:** The primary data is collected from the respondents through questionnaire.

**SECONDARY DATA:** The researcher collected the secondary data from books, journals, web sites etc. The data relating to the IT industry is collected from the manuals and the records of the respective companies.

**SAMPLING:** Stratified random sampling method has been adopted for the selection of respondents in this study.

#### Sampling Design & Tools Applied

##### Sampling Size

In this research, the sample size amounted to four hundred and twenty, which are surveyed from employees of the companies with service sector.

##### Pilot study

Before undertaking the complete data collection, a pilot study was conducted and then questionnaire was modified and restructured suitably.

**Reliability Statistics**

Dimension	N	Cronbach's Alpha	N of Items
Self-Awareness	40	.768	5
Emotional Resilience	40	.783	5
Inter-Personal Sensitivity	40	.849	5

Dimension	N	Cronbach's Alpha	N of Items
Influence	40	.776	5
Intuitiveness	40	.864	5
Conscientiousness	40	.816	5
Job performance	40	.819	7
Working environment	40	.898	5
Relationship with superiors	40	.741	5
Relationship with colleagues	40	.871	2
Motivational and recognition	40	.889	4

A total of 11 dimensions were taken for the study for the purpose of finding the reliability were the value is greater than 0.7 and goodness of fit towards the reliability is reliable.

**Limitations of the study**

- Sample size considered is 150 employees. The suggestions and answers may vary if the sample size is increased.
- It is difficult to meet all the employees due to time constraint.
- Since the employees are working in different shifts it is difficult to collect the information.
- Fear of expressing the true facts among the respondents may lead to misinterpretation.

**Analysis and interpretation**

**Demographic variables of the employees**

Demographic variables	Particulars	Frequency	Percent
Age	Below 30 years	83	55.3
	30-40 years	41	27.3
	40 and above years	26	17.3
	Total	150	100
Gender	Male	104	69.3
	Female	46	30.7
	Total	150	100
Marital status	Married	72	48
	Unmarried	78	52
	Total	150	100
Years of experience	0-5 years	39	26
	5-10 years	67	44.7
	10 - 15 years	26	17.3
	Above 20 years	18	12
	Total	150	100
Annual income	Less than Rs. 2,00,000	11	7.3
	Rs. 2, 00,001 to Rs.3, 00,000	29	19.3

	Rs 3, 00,001 to Rs. 4, 00,000	61	40.7
	Rs. 4, 00,001 and Above	49	32.7
	Total	150	100

Out of 150 respondents 55.3% are below 30 years, 27.3% are between 30-40 years, 17.3% are between 40 and above years. 69.3% are male, 30.7% are female. 48.0% are married, 52.0% are unmarried. 26.0% have 0-5 years of experience, 44.7% have 5-10 years of experience, 17.3% have 10-15 years of experience, 12.0% have above 20 years of experience. 7.3% are earning less than Rs. 2,00,000 per annum, 19.3% are earning between Rs. 2, 00,001 to Rs.3, 00,000, 40.7% are earning between Rs 3, 00,001 to Rs. 4, 00,000, 32.7% are earning between Rs. 4, 00,001 and above.

**Organization conducting employee Performance Appraisals for all staff**

	Frequency	Percent
As needed once per year	61	40.7
Twice per year	48	32.0
More than twice a year	41	27.3
Total	150	100.0

The above table shows about the conduction of employee performance appraisals for all staff by organization. Out of 150 respondents 40.7% said that the organisation is conducting performance appraisal once per year, 32.0% said twice per year, 27.3% said as more than twice a year.

**Organization conducting 360-degree performance appraisals**

	Frequency	Percent
Yes, all staff	3	2.0
yes, only supervisors and above	128	85.3
Does not conduct	19	12.7
Total	150	100.0

The above table shows about the 360-degree performance appraisals conducted by organization. Out of 150 respondents 2.0% said that the organisation is conducting 360-degree performance appraisals to all staffs, 85.3% said they organisation is conducting 360 degree appraisal only for supervisors and 12.7% said that organization does not conduct 360-degree performance appraisals.

**DESCRIPTIVE STATISTICS  
WORKING ENVIRONMENT**

Particulars	N	Mean	SD
V1	150	1.80	.695
V2	150	2.03	.536
V3	150	1.76	.587
V4	150	1.99	.675

The above table shows the descriptive statistics towards working environment with reference to factors that retains the employees. It depicts that the respondents strongly disagree towards the expectation of company from the employees (1.80), feeling competent and fully able to handle their job (1.76), Effective management of conflicts among staffs in office (1.99). They also disagree towards equal distribution of workload throughout their department (2.03).

**TEAM WORK**

Particulars	N	Mean	SD
V1	150	1.89	.860
V2	150	3.12	1.263
V3	150	3.30	1.241
V4	150	3.71	1.084

The above table shows the descriptive statistics towards Team work with reference to factors that retains the employees. It depicts that the respondents strongly disagree towards sharing innovative ideas and information with co-workers (1.89), and agree towards appreciation by team members on one another's unique capabilities (3.12), also towards maintaining a can-do approach with team members when they encounter frustrating situations (3.30), and towards team working with a great deal of flexibility so that they can adapt to changing needs (3.71).

**COMMUNICATION**

Particulars	N	Mean	SD
V1	150	3.77	1.188
V2	150	1.59	.803
V3	150	1.90	.775
V4	150	1.54	.609

The above table shows the descriptive statistics towards Communication with reference to factors that retains the employees. It depicts that the respondents agree towards having a open and honest communication among their groups(3.77). The employees strongly disagree towards the care from management to employees at all levels (1.59), frequent discussion between top management (1.90), and also towards effective solution given for the conflicts between (1.54).

**QUALITY OF LIFE**

Particulars	N	Mean	SD
V1	150	1.74	.781
	150	1.86	.531

The above table shows the descriptive statistics towards Quality of life with reference to factors that retains the employees. It depicts that the respondents strongly disagree towards comfortable workplace (1.74) and also towards taking care of employees health and security by companies that related to the industry (1.86).

**WORK SCHEDULE FLEXIBILITY**

Particulars	N	Mean	SD
V1	150	3.99	.983
V2	150	4.27	.723
V3	150	4.19	.903
V4	150	4.31	.759

The above table shows the descriptive statistics towards Work schedule flexibility with reference to factors that retains the employees. It depicts that the respondents agree towards ability to perform job even better in burn out conditions (3.99). They strongly agree towards feeling secured about continued employment at the organization (4.27), getting adequate rest intervals (4.19), and also towards comfortable working hours (4.31).

**COMPENSATION**

Particulars	N	Mean	SD
V1	150	4.10	.740
V2	150	4.17	.841
V3	150	3.93	1.034

The above table shows the descriptive statistics towards compensation with reference to factors that retains the employees. It depicts that the respondents agree towards company paying for employees personal training (3.93). They strongly agree towards satisfaction regarding salary strategies and policies (4.10), and also towards recognition of performance by increment in their salary (4.17).

**ON BOARDING AND TRAINING**

Particulars	N	Mean	SD
V1	150	1.87	.816
V2	150	2.11	.369
V3	150	1.97	.162

The above table shows the descriptive statistics towards On boarding and training with reference to factors that retains the employees. It depicts that the respondents strongly disagree towards conduction of Employee Performance Appraisals often for all staff (1.87), and also towards offering formal diversity training (1.97). The employees disagree towards conduction of 360-degree performance appraisals with the company (2.11).

**CAREER DEVELOPMENT**

Particulars	N	Mean	SD
V1	150	4.13	.907
V2	150	3.91	1.206
	150	3.83	1.032

The above table shows the descriptive statistics towards career development with reference to factors that retains the employees. It depicts that the respondents strongly agree towards opportunities provided by the organization that encourage employee to better their services(4.13). The employees agree towards conduction of systematic program that identifies and develop employee skills (3.91) and also towards the decision of taking a training that will enhance their job skills (3.83).

**KRUSKALL WALLIS TEST**

**Comparison between gender and factors that retains the employees**

Ho1: There is no relationship between gender and factors that retains the employees

	Gender	N	Mean Rank	Chi-Square	Sig
Working environment	Male	104	69.75	6.447	0.011

	Femal	46	88.49		
	Total	150			
Team work	Male	104	71.24	3.331	0.068
	Femal	46	85.14		
	Total	150			
Communication	Male	104	70.13	5.318	0.021
	Femal	46	87.63		
	Total	150			
Work schedule flexibility	Male	104	83.48	11.813	0.001
	Femal	46	57.47		
	Total	150			
Compensation	Male	104	80.27	4.192	0.041
	Femal	46	64.71		
	Total	150			
Career development	Male	104	70.45	4.757	0.029
	Femal	46	86.92		
	Total	150			
Health and wellness benefits	Male	104	80.69	5.215	0.022
	Femal	46	63.76		
	Total	150			

There is no relationship between gender and Team work (0.068) and level of acceptance towards factors that retains the employees

There is a relationship between gender and Working environment (0.011), Communication (0.021), Work schedule flexibility(0.001), Compensation(0.041), Career development(0.029), Health and wellness benefits (0.022) and level of acceptance towards factors that retains the employees

**ONEWAY ANOVA  
COMPARISON BETWEEN ANNUAL INCOME AND FACTORS THAT RETAINS THE  
EMPLOYEES**

There is no significant difference between annual income and factors that retains the employees

Dimensions	Annual income	N	Me an	SD	F	Si g
Working environment	Less than Rs. 2,00,000	11	2.07	0.623	0.663	0.576
	Rs. 2, 00,001 to Rs.3, 00,000	29	1.82	0.327		
	Rs 3, 00,001 to Rs. 4, 00,000	61	1.89	0.661		
	Rs. 4, 00,001 and Above	49	1.91	0.325		

	Total	1 50	1.90	0.50 9		
Team work	Less than Rs. 2,00,000	1 1	3.11	0.69 2	1.6 48	0.1 81
	Rs. 2, 00,001 to Rs.3, 00,000	2 9	2.92	0.37 9		
	Rs 3, 00,001 to Rs. 4, 00,000	6 1	2.91	0.62 8		
	Rs. 4, 00,001 and Above	4 9	3.15	0.69 4		
	Total	1 50	3.01	0.62 1		
Communication	Less than Rs. 2,00,000	1 1	2.34	0.34 0	1.9 28	0.1 28
	Rs. 2, 00,001 to Rs.3, 00,000	2 9	2.28	0.49 4		
	Rs 3, 00,001 to Rs. 4, 00,000	6 1	2.08	0.67 0		
	Rs. 4, 00,001 and Above	4 9	2.27	0.26 4		
	Total	1 50	2.20	0.51 7		
Quality of life	Less than Rs. 2,00,000	1 1	1.68	0.25 2	0.9 42	0.4 22
	Rs. 2, 00,001 to Rs.3, 00,000	2 9	1.81	0.33 8		
	Rs 3, 00,001 to Rs. 4, 00,000	6 1	1.74	0.72 2		
	Rs. 4, 00,001 and Above	4 9	1.90	0.44 5		
	Total	1 50	1.80	0.55 3		
Work schedule flexibility	Less than Rs. 2,00,000	1 1	4.05	0.75 7	4.5 45	0.0 04
	Rs. 2, 00,001 to Rs.3, 00,000	2 9	3.95	0.61 7		
	Rs 3, 00,001 to Rs. 4, 00,000	6 1	4.13	0.81 3		
	Rs. 4, 00,001 and Above	4 9	4.48	0.46 7		
	Total	1 50	4.20	0.69 9		
Compensation	Less than Rs. 2,00,000	1 1	3.85	0.56 4	3.5 54	0.0 16
	Rs. 2, 00,001 to Rs.3, 00,000	2 9	4.21	0.68 8		
	Rs 3, 00,001 to Rs. 4, 00,000	6 1	3.89	0.81 7		
	Rs. 4, 00,001 and Above	4 9	4.26	0.43 3		
	Total	1 50	4.07	0.68 6		



Career development	Less than Rs. 2,00,000	1 1	3.91	0.83 1	0.1 10	0.9 54
	Rs. 2, 00,001 to Rs.3, 00,000	2 9	3.97	1.18 4		
	Rs 3, 00,001 to Rs. 4, 00,000	6 1	4.00	0.80 1		
	Rs. 4, 00,001 and Above	4 9	3.91	0.85 8		
	Total	1 50	3.96	0.89 8		
Health and wellness benefits	Less than Rs. 2,00,000	1 1	2.91	1.04 5	1.7 17	0.1 66
	Rs. 2, 00,001 to Rs.3, 00,000	2 9	2.76	0.54 9		
	Rs 3, 00,001 to Rs. 4, 00,000	6 1	2.78	0.72 3		
	Rs. 4, 00,001 and Above	4 9	3.05	0.62 7		
	Total	1 50	2.87	0.69 5		

There is a significant difference between Annual Income and Working environment (0.576), Team work (0.181), Quality of life (0.422), Communication (0.128), Career development (0.954), Health and wellness benefits (0.166) and level of acceptance towards factors that retains the employees

There is no significant difference between Annual Income and Work schedule flexibility (0.004), Compensation (0.016) and level of acceptance towards factors that retains the employees

## 8. Findings

- Majority of the respondents are below 30 years.
- Most of the respondents are male.
- Maximum of the respondents are unmarried.
- Most of the respondents have 5-10 years of experience.
- Maximum of the respondents are earning between Rs 3, 00,001 to Rs. 4, 00,000 per annum.
- Most of the respondents said that organization conducts employee performance appraisals once per year with the company.
  - Majority of the respondents said that organization is conducting 360-degree performance appraisals only for the supervisors.
  - Majority of the respondents said that the organisation is not offering formal diversity training.

### Comparison between gender and factors that retains the employees

#### Working environment

It depicts that the respondents who are female have higher level of acceptance towards factors that retains the employees.

#### Communication

It depicts that the respondents who are female have higher level of acceptance towards factors that retains the employees.

#### Work schedule flexibility

It depicts that the respondents who are male have higher level of acceptance towards factors that retains the employees.

#### Compensation

It depicts that the respondents who are male have higher level of acceptance towards factors that retains the employees.

#### Career development

It depicts that the respondents who are female have higher level of acceptance towards factors that retains the employees.

#### **Health and wellness benefits**

It depicts that the respondents who are male have higher level of acceptance towards factors that retains the employees.

#### **Comparison between annual income and factors that retains the employees**

##### **Work schedule flexibility**

The respondents who are earning Less than Rs. 2,00,000 per annum, earning between Rs 3, 00,001 to Rs. 4, 00,000, earning between Rs. 4, 00,001 and Above strongly agree, who are earning between Rs. 2, 00,001 to Rs.3, 00,000 per annum agree towards factors that retains the employees.

#### **9. Compensation**

The respondents who are earning Less than Rs. 2,00,000 per annum, earning between Rs 3, 00,001 to Rs.4,00,000 agree, employees who are earning between Rs. 2, 00,001 to Rs.3, 00,000, and earning between Rs. 4, 00,001 and Above strongly agree towards factors that retains the employees.

#### **10. Suggestions**

- Employee can be provided with well defined career paths (including succession plan), mentors and tuition remuneration for job-related education.
- Employee can be provided with a clear professional development plan gives employees an incentive to stick around.
- Train can be given to supervisors in coaching and performance management skills.
- Implementation of good promotion process, “soft skills” training development before and after promotion.
- Implementation of job rotation method so that every employee can get an opportunity to access other department and understand responsibilities and problems face by other departments.
- Top management employees can be identified and prepared for next higher position by providing necessary training and education.

#### **11. Conclusion**

Good Company Culture, Company Policies, Convenient Work location, Communication, job satisfaction, opportunities for promotion and career prospects, fair salary are few area which are critically important from the view point of most of the employees. The main objective is to study about the emotional intelligence and level of satisfaction of employees. For this purpose a sample of 150 was collected from the employees were percentage analysis, factor analysis, Kruskal Wallis test and one way Anova were used as tools to analyze the data. The study colludes that the cause of concern here is that employees have indicated that they need more for their compensation and from their superiors. Based on the results as a whole, without significant and meaningful improvement in compensation, manager/supervisor co-operation, training and development, performance appraisal and opportunity for career and promotion, the company’s current climate could eventually erode the employee’s outlook and eventually their commitment to doing their job.

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